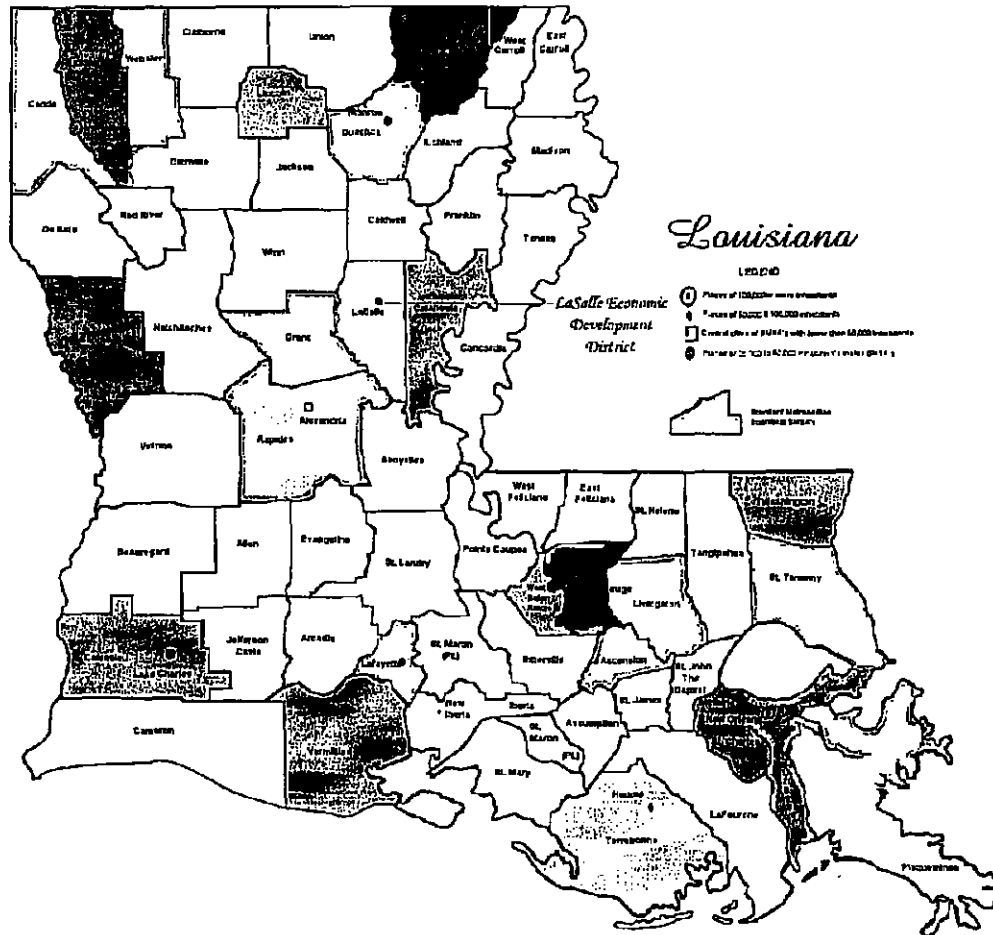


**LASALLE ECONOMIC DEVELOPMENT DISTRICT****Financial Statements  
December 31, 2010**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date SEP 21 2011

# LASALLE ECONOMIC DEVELOPMENT DISTRICT



## \* LaSalle Economic Development District

The LaSalle Economic Development District (the "District") is a special district which was created by Louisiana Revised Statute 33:130.201 in 1988. The District is a political subdivision of the State of Louisiana and is governed by a Board of Commissioners appointed by various bodies within LaSalle Parish. The District was created for the primary objective and purpose of promoting and encouraging industrial development, to stimulate the economy through commerce, industry, and research and for the utilization and development of natural and human resources of the area by providing job opportunities.

**LASALLE ECONOMIC DEVELOPMENT DISTRICT  
TABLE OF CONTENTS**

**December 31, 2010**

	<b>PAGE NO.</b>
Independent Auditor's Report .....	1-2
Management's Discussion and Analysis (MD&A).....	3-7
Statement of Net Assets.....	9
Statement of Activities.....	10
Balance Sheet – Governmental Funds.....	11
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Assets.....	12
Statement of Revenue, Expenditures & Changes in Fund Balance.....	13
Reconciliation of the Statement of Revenues, Expenditures, & Changes in Fund Balances of Government Funds to the Statement of Activities.....	14
Notes to the Basic Financial Statements.....	15-22
Independent Auditor's Report On Compliance And On Internal Control Over Financial Reporting Based On An Audit Of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i> .....	23-24
Schedule of Findings and Questioned Cost.....	25-28
Management's Corrective Action For Current Year Audit Findings.....	29
Management Letter Comments.....	30
Management's Summary of Prior Year Findings.....	31

John R. Vercher C.P.A.  
jrv@centurytel.net

Jonathan M. Vercher M.S., C.P.A.  
jonathanvercher@centurytel.net

**JOHN R. VERCHER PC**  
***Certified Public Accountants***

P.O. Box 1608  
Jena, Louisiana 71342  
Tel: (318) 992-6348  
Fax: (318) 992-4374

**INDEPENDENT AUDITOR'S REPORT**

Members of the Board  
LaSalle Economic Development District  
Jena, LA 71342

We have audited the accompanying financial statements of the governmental activities and each major fund of the LaSalle Economic Development District as of and for the year ended December 31, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the major funds of the LaSalle Economic Development District, as of December 31, 2010, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 26, 2011, on our consideration of the LaSalle Economic Development District's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion & analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*John R. Vercher PC*

July 26, 2011  
Jena, Louisiana

**Management's Discussion  
& Analysis  
(MD&A)**

# LaSalle Economic Development District

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## MANAGEMENT'S DISCUSSION & ANALYSIS

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As management of the LaSalle Economic Development District, we offer readers of the LaSalle Economic Development District's financial statements this narrative overview and analysis of the financial activities of the LaSalle Economic Development District for the fiscal year ended December 31, 2010. We encourage readers to consider the information presented here in conjunction with the LaSalle Economic Development District's financial statements.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

### FINANCIAL HIGHLIGHTS

- The assets of the LaSalle Economic Development District exceeded its liabilities at the close of the most recent fiscal year by \$1,805,235 (*net assets*). Of this amount, \$275,384 (*unrestricted net assets*) may be used to meet the District's ongoing obligations to citizens and creditors.
- The LaSalle Economic Development District had total revenue of \$20,774,520 and total expenditures of \$20,703,525, causing a net change in fund balance of \$70,995. This left the District with an ending fund balance of \$275,384.

### REQUIRED FINANCIAL STATEMENTS

The Financial Statements of the Development District report information about the Development District using Governmental Accounting Standards Board (GASB) accounting principles. These statements offer short-term and long-term financial information about its activities. The Balance Sheet includes all of the Development District's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to Development District creditors (liabilities.) It also provides the basis for computing rate of return, evaluating the capital structure and assessing the liquidity and financial flexibility of the Development District. All of the current year's revenues and expenses are accounted for in the Statements of Revenue Expenditures and Changes in Net Assets. This statement measures improvements in the Development District's operations over the past two years and can be used to determine whether the Development District has been able to recover all of its costs through its revenue sources.

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## MD&A

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### FINANCIAL ANALYSIS OF THE SERVICE DISTRICT

The Statement of Net Assets and the Statements of Revenue, Expenditures, and Changes in Net Assets report information about the Development District's activities. These two statements report the net assets of the Development District and changes in them. Increases or decreases in the Development District's net assets are one indicator of whether its financial health is improving or deteriorating.

### NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

### USING THIS ANNUAL REPORT

The LaSalle Economic Development District's annual report consists of financial statements that show information about the LaSalle Economic Development District's fund, a Governmental fund.

Our auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the other information included in this report. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts of this report.

#### Table 1

##### Net Assets

The following table represents a condensed Statement of Net Assets as of December 31, 2010:

	<u>2009</u>	<u>2010</u>	<u>% Change</u>
<b>ASSETS</b>			
Current Assets	\$ 1,688,848	\$ 4,034,638	138.9%
Capital Assets, Net of Accumulated Depreciation	<u>1,418,314</u>	<u>1,529,851</u>	7.9%
<b>TOTAL ASSETS</b>	<u>3,107,162</u>	<u>5,564,489</u>	79.1%
 <b>CURRENT LIABILITIES</b>	 <u>1,508,459</u>	 <u>3,759,254</u>	 149.2%
 <b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	1,418,314	1,529,851	7.9%
Unrestricted	<u>180,389</u>	<u>275,384</u>	52.7%
<b>TOTAL NET ASSETS</b>	<u>1,598,703</u>	<u>1,805,235</u>	12.9%
 <b>TOTAL LIABILITIES &amp; NET ASSETS</b>	 <u>\$ 3,107,162</u>	 <u>\$ 5,564,489</u>	 79.1%



## MD&A

**Table 2**

### Change in Net Assets

The following table represents a condensed Statement of Revenues, Expenses, and Changes in Net Assets for the year ended December 31, 2010:

	2009	2010	% Change
<b>REVENUES</b>			
U.S. Immigration & Customs Enforcement	\$ 20,714,144	\$ 20,556,290	-0.8%
Grants	243,748	201,952	-17.1%
Other	196,757	16,278	-91.7%
<b>TOTAL REVENUES</b>	<u>21,154,649</u>	<u>20,774,520</u>	-1.8%
<b>EXPENSES</b>			
Salary & Related Taxes	15,937	16,116	1.1%
Repair & Maintenance	42,444	49,506	16.6%
Disbursements of Grants	18,231	-0-	-100.0%
Disbursements to GEO Group	20,699,144	20,380,242	-1.5%
Depreciation	43,907	45,837	4.4%
Other Expenses	23,311	44,237	89.8%
<b>TOTAL EXPENSES</b>	<u>20,842,974</u>	<u>20,535,938</u>	-1.5%
<b>CHANGE IN NET ASSETS</b>	311,675	238,582	-23.5%
<b>PRIOR PERIOD ADJUSTMENT</b>	-0-	(32,050)	-100.0%
<b>BEGINNING NET ASSETS</b>	1,287,028	1,598,703	24.2%
<b>ENDING NET ASSETS</b>	<u>\$ 1,598,703</u>	<u>\$ 1,805,235</u>	12.9%

### Comparative Information

- Current assets increased by \$2,345,790 or 138.9% from last year. The primary reason for this increase is due to an increase in accounts receivable, which increased by \$2,265,795.
- Total liabilities increased by \$2,250,795 or 149.2%. The primary reason for this increase is due to an increase in accounts payable in the amount of \$2,250,795.
- Total revenues decreased by \$380,129 or 1.8%. A decrease of \$157,854 in immigration & customs enforcement revenues and a decrease of \$180,479 in other revenues were the primary sources of this decrease.
- Total expenses decreased by \$307,036 or 1.5%. A decrease in payments to the LaSalle Detention Center in the amount of \$318,902 was the primary source of this decrease.

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## MD&A

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### CAPITAL ASSETS

At December 31, 2010, the LaSalle Economic Development District had \$1,529,851 invested in capital assets, including land and equipment.

	<u>2009</u>		<u>2010</u>
Land	\$ 33,750	\$	33,750
Land Airport	406,000		406,000
Improvements	892,183		836,133
Movable Equipment	18,000		33,473
Construction in Progress	148,695		346,646
Accumulated Depreciation	(80,314)		(126,151)
<b>Capital Assets, Net of Accumulated Depreciation</b>	<u><u>\$ 1,418,314</u></u>	\$	<u><u>1,529,851</u></u>

### CONTACTING THE LASALLE ECONOMIC DEVELOPMENT DISTRICT'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the LaSalle Economic Development District's finances and to show the LaSalle Economic Development District's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact the LaSalle Economic Development District, Jena, Louisiana.

## **Basic Financial Statements**

**LaSalle Economic Development District  
Jena, Louisiana  
Statement of Net Assets  
December 31, 2010**

**ASSETS**

**CURRENT ASSETS**

Cash & Cash Equivalents	\$ 229,384
Accounts Receivable	<u>3,805,254</u>
<b>TOTAL CURRENT ASSETS</b>	<u><b>4,034,638</b></u>

**FIXED ASSETS**

Plant Property & Equipment (Net)	<u>1,529,851</u>
<b>TOTAL FIXED ASSETS</b>	<u><b>1,529,851</b></u>

<b>TOTAL ASSETS</b>	<u><b>5,564,489</b></u>
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**LIABILITIES & EQUITY**

**LIABILITIES**

Accounts Payable	<u>3,759,254</u>
<b>TOTAL LIABILITIES</b>	<u><b>3,759,254</b></u>

**EQUITY**

Invested in Capital Assets, Net of Related Debt	1,529,851
Unrestricted Net Assets	<u>275,384</u>
<b>TOTAL NET ASSETS</b>	<u><b>\$ 1,805,235</b></u>

The accompanying notes are an integral part of the financial statements.

**LaSalle Economic Development District  
Jena, Louisiana  
Statement of Activities  
Year Ended December 31, 2010**

<u>FUNCTIONS/PROGRAMS</u>	<u>EXPENSES</u>	<u>OPERATING GRANTS</u>	<u>CAPITAL GRANTS</u>	<u>NET (EXPENSE) REVENUE</u>
<b>Governmental Activities:</b>				
General Fund	\$ (32,705)	\$ -0-	\$ -0-	\$ (32,705)
Airport Fund	(105,764)	-0-	201,952	96,188
Special (ICE) Fund	(20,397,469)	20,556,290	-0-	158,821
<b>Total Governmental Activities</b>	<b>\$ (20,535,938)</b>	<b>\$ 20,556,290</b>	<b>\$ 201,952</b>	<b>222,304</b>
		<b>General Revenues</b>		
		Occupancy Sales Tax		16,000
		Miscellaneous Income		278
		<b>Total General Revenues</b>		<u>16,278</u>
		<b>Change In Net Assets</b>		238,582
		<b>Prior Period Adjustment</b>		(32,050)
		<b>Net Assets – Beginning of Year</b>		<u>1,598,703</u>
		<b>Net Assets – End of Year</b>	<b>\$</b>	<u><u>1,805,235</u></u>

The accompanying notes are an integral part of the financial statements.

**LaSalle Economic Development District  
Jena, Louisiana  
Balance Sheet – Governmental Funds  
December 31, 2010**

	<u>GENERAL FUND</u>	<u>AIRPORT FUND</u>	<u>SPECIAL (ICE) FUND</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<b>ASSETS</b>				
Cash & Cash Equivalents	\$ 202,692	\$ 2,079	\$ 24,613	\$ 229,384
Accounts Receivable	16,000	-0-	3,789,254	3,805,254
Due From ICE	30,000	-0-	-0-	30,000
<b>TOTAL ASSETS</b>	<u>248,692</u>	<u>2,079</u>	<u>3,813,867</u>	<u>4,064,638</u>
<b>LIABILITIES</b>				
GEO Payable	-0-	-0-	3,759,254	3,759,254
Due to General Fund	-0-	-0-	30,000	30,000
<b>TOTAL LIABILITIES</b>	<u>-0-</u>	<u>-0-</u>	<u>3,789,254</u>	<u>3,789,254</u>
<b>FUND BALANCES</b>				
Unreserved - Undesignated	248,692	2,079	24,613	275,384
<b>TOTAL FUND BALANCES</b>	<u>248,692</u>	<u>2,079</u>	<u>24,613</u>	<u>275,384</u>
<b>TOTAL LIABILITIES &amp; FUND BALANCE</b>	\$ <u>248,692</u>	\$ <u>2,079</u>	\$ <u>3,813,867</u>	\$ <u>4,064,638</u>

The accompanying notes are an integral part of the financial statements.

**LaSalle Economic Development District  
Jena, Louisiana  
Reconciliation of the Balance Sheet – Governmental Funds  
to the Statement of Net Assets  
Year Ended December 31, 2010**

Fund balances – total governmental funds	\$	275,384
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

Capital Assets	\$	1,656,002	
Less Accumulated Depreciation		<u>(126,151)</u>	
			<u>1,529,851</u>
Net assets of governmental activities	\$		<u><u>1,805,235</u></u>

The accompanying notes are an integral part of the financial statements.

**LaSalle Economic Development District**  
**Statement of Revenue, Expenditures & Changes in Fund Balance**  
**For the Year Ended December 31, 2010**

	<b>GENERAL FUND</b>	<b>AIRPORT FUND</b>	<b>SPECIAL (ICE) FUND</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>
<b>REVENUE</b>				
Immigration & Customs Enforcement	\$ -0-	\$ -0-	\$ 20,381,290	\$ 20,381,290
Administrative GEO Income	-0-	-0-	175,000	175,000
Occupancy Sales Tax	16,000	-0-	-0-	16,000
FAA Grant Income	-0-	76,000	-0-	76,000
DOTD Grant Income	-0-	125,952	-0-	125,952
Miscellaneous Income	-0-	160	118	278
<b>TOTAL REVENUES</b>	<u>16,000</u>	<u>202,112</u>	<u>20,556,408</u>	<u>20,774,520</u>
<b>EXPENDITURES</b>				
Salary & Related Taxes	-0-	-0-	16,116	16,116
LaSalle Detention Center-GEO	-0-	-0-	20,380,242	20,380,242
Repairs & Maintenance	-0-	49,506	-0-	49,506
Capital Outlay	-0-	213,424	-0-	213,424
Other Expenditures	32,705	10,421	1,111	44,237
<b>TOTAL EXPENDITURES</b>	<u>32,705</u>	<u>273,351</u>	<u>20,397,469</u>	<u>20,703,525</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(16,705)</u>	<u>(71,239)</u>	<u>158,939</u>	<u>70,995</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	151,000	71,239	-0-	222,239
Transfers Out	(71,239)	-0-	(151,000)	(222,239)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>79,761</u>	<u>71,239</u>	<u>(151,000)</u>	<u>-0-</u>
<b>NET CHANGE IN FUND BALANCE</b>	63,056	-0-	7,939	70,995
<b>PRIOR PERIOD ADJUSTMENT</b>	24,000	-0-	-0-	24,000
<b>FUND BALANCE, BEGINNING</b>	161,636	2,079	16,674	180,389
<b>FUND BALANCE, ENDING</b>	<u>\$ 248,692</u>	<u>\$ 2,079</u>	<u>\$ 24,613</u>	<u>\$ 275,384</u>

The accompanying notes are an integral part of the financial statements.



**LaSalle Economic Development District  
Jena, Louisiana  
Reconciliation of the Statement of Revenues, Expenditures, & Changes in Fund Balance  
of Government Funds to the Statement of Activities  
Year Ended December 31, 2010**

Net change in fund balances – total governmental funds \$ 70,995

Amounts reported for governmental activities in the statement of activities  
are different because:

Governmental funds report capital outlays as expenditures. However, in  
the statement of activities, the cost of those assets is allocated over their  
estimated useful lives and reported as depreciation expense.

Capital Outlay	\$ 213,424	
Depreciation Expense	<u>(45,837)</u>	167,587
Change in net assets of governmental activities		<u>\$ 238,582</u>

The accompanying notes are an integral part of the financial statements.

**NOTES TO THE BASIC  
FINANCIAL STATEMENTS**

## **LASALLE ECONOMIC DEVELOPMENT DISTRICT**

### **NOTES TO THE BASIC FINANCIAL STATEMENTS**

#### **NOTE 1 – REPORTING ENTITY**

The LaSalle Economic Development District (the “District”) is a special district which was created by Louisiana Revised Statute 33:130.201 in 1988. The District is a political subdivision of the State of Louisiana and is governed by a Board of Commissioners appointed by various bodies within LaSalle Parish. Each board member must be a resident of LaSalle Parish. Each municipality shall appoint one member in a public meeting after receiving applications submitted by residents of the municipality. Each state and federally chartered financial institution with offices in LaSalle Parish shall appoint one member. The following LaSalle Parish bodies shall appoint one member each: LaSalle Parish School Board, LaSalle Parish Police Jury, LaSalle Development Board, and the LaSalle Parish Chamber of Commerce. The board members serve four year terms and receive no compensation.

The District was created for the primary objective and purpose of promoting and encouraging industrial development, to stimulate the economy through commerce, industry, and research and for the utilization and development of natural and human resources of the area by providing job opportunities.

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Because the District is legally separate and fiscally independent, the District is a separate governmental reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information of the State of Louisiana or the general government service provided by that or any other governmental entity.

#### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **A. BASIS OF PRESENTATION**

The accompanying basic financial statements of the District have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements-and Management's Discussion and Analysis—for State and Local Governments*.

##### **B. BASIS OF ACCOUNTING & GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The Statement of Net Assets and the Statement of Activities display information about the reporting government as a whole. Activities are presented using the economic resources method. The accounting objective of the measurement focus is the determination of operating income, changes in net assets, and financial position. All assets and liabilities (whether current or noncurrent) associated with the government's activities are reported. Fund equity is classified as net assets. Government activities are presented using the accrual basis of accounting. Under the accrual basis of accounting the Statement of Net Assets and Statement of Activities present revenues, expenses and fixed asset acquisitions as follows:

## **LASALLE ECONOMIC DEVELOPMENT DISTRICT**

### **NOTES TO THE BASIC FINANCIAL STATEMENTS CONTINUED**

Revenue- Revenues are recognized in the accounting period in which they are earned.

Expenses- Expenses are recorded when the liability is incurred or economic assets used.

Capital Assets- All capital assets are valued at historical cost, except for donated fixed assets, which are recorded at their estimated fair value at the date of donation.

Program revenues included in the Statement of Activities are derived directly from outside parties.

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities.

The District reports the following major governmental funds:

**General Fund** – The General Fund accounts for resources traditionally associated with the District which are not required legally or by sound financial management to be accounted for in another fund.

**Airport Fund** – The Airport Fund was created to account for grant revenues and expenditures of the Airport projects.

**Special Fund** – The Special Fund is used to account for the inflow and outflow of revenue from the U.S. Immigration and Customs Enforcement (ICE) intergovernmental agreement with the District.

#### **C. FUND FINANCIAL STATEMENTS**

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The District uses the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Net Assets reports on the sources (i.e. revenues and other financing sources) and uses (i.e. expenditures and other financing uses) of current financial resources. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The District considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred.

## **LASALLE ECONOMIC DEVELOPMENT DISTRICT**

### **NOTES TO THE BASIC FINANCIAL STATEMENTS CONTINUED**

#### **D. CASH & CASH EQUIVALENTS**

All cash and cash equivalents are reported at cost and are on deposit at federally insured banks. The District's cash (bank balance) at December 31, 2010 totaled \$235,118.

It is the District's policy for deposits to be 100% secured by collateral at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. All deposits were fully secured at the year-end.

#### **E. INVENTORIES**

The District did not record inventory at December 31, 2010.

#### **F. PREPAID ITEMS**

The District did not record prepaid items at December 31, 2010.

#### **G. ACCOUNTS RECEIVABLE**

At December 31, 2010, accounts receivable consisted of the following:

	<b>General Fund</b>	<b>Special Fund</b>	<b>Total Funds</b>
Sales (Occupancy) Tax Receivable	\$ 16,000	\$ -0-	\$ 16,000
ICE Receivable	-0-	3,789,254	3,789,254
<b>Total Accounts Receivable</b>	<b>\$ 16,000</b>	<b>\$ 3,789,254</b>	<b>\$ 3,805,254</b>

#### **H. DUE FROM/DUE TO**

At December 31, 2010, Due From/Due To consisted of the following:

	<b>General Fund</b>	<b>Special Fund</b>
Due From Ice Fund	\$ 30,000	\$ -0-
Due To General Fund	-0-	(30,000)
<b>Net</b>	<b>\$ 30,000</b>	<b>\$ (30,000)</b>

The amount due to the General Fund was for administrative expenses.

# LASALLE ECONOMIC DEVELOPMENT DISTRICT

## NOTES TO THE BASIC FINANCIAL STATEMENTS CONTINUED

### I. PROPERTY, PLANT, & EQUIPMENT

Property, plant, and equipment are recorded at cost for purchased assets or at fair market value on the date of any donation. The District uses straight-line depreciation for financial reporting. The following estimated useful lives are generally used.

	<u>Life In Years</u>
Improvements	20 years
Equipment	10-15 years

### NOTE 4 – OCCUPANCY SALES TAXES

The State of Louisiana imposed a hotel occupancy sales tax in LaSalle Parish for the District under Revised Statute (R.S.) 47:301 (14)(a). Under the provisions of R.S. 47:321(C) and 322 the taxes shall be credited to the Bond Security and Redemption Fund. After all the obligations of that fund that are due and payable for that fiscal year have been met, the treasurer will pay the remainder into a special fund designated as the “LaSalle Economic Development District Fund”. This money shall be subject to appropriation by the legislature each year. Sixty-seven and one-half percent (67 ½%) shall be utilized by the LaSalle Economic Development District. The remaining thirty-two and one-half percent (32 ½%) is distributed to other LaSalle Parish entities.

### NOTE 5 – PLANT PROPERTY & EQUIPMENT

The following is a summary of property, plant, and equipment for the year ended December 31, 2010:

	<u>Balance 12-31-09</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12-31-10</u>
Land *	\$ 33,750	\$ -0-	\$ -0-	\$ 33,750
Land- Airport *	406,000	-0-	-0-	406,000
Land Improvements	836,133	-0-	-0-	836,133
Moveable Equipment	18,000	15,473	-0-	33,473
Construction in Progress *	148,695	197,951	-0-	346,646
Accumulated Depreciation	(80,314)	(45,837)	-0-	(126,151)
<b>Net Total</b>	<b>\$ 1,362,264</b>	<b>\$ 167,587</b>	<b>\$ -0-</b>	<b>\$ 1,529,851</b>

\* Land in the amount of \$439,750 and Construction in Progress in the amount of \$346,646 is not being depreciated.

## **LASALLE ECONOMIC DEVELOPMENT DISTRICT**

### **NOTES TO THE BASIC FINANCIAL STATEMENTS CONTINUED**

#### **NOTE 6 – COOPERATIVE ENDEAVOR AGREEMENT LASALLE PARISH POLICE JURY**

In 2005, the District entered into a cooperative endeavor agreement with the LaSalle Parish Police Jury (the "Jury") relative to the LaSalle Parish Airport, and all facilities, lands, equipment, movable items, rights, ways and appurtenances thereto appertaining. The Jury conveyed ownership of the parish airport to the District in consideration of the mutual benefit to the parties, the parish, and the surrounding business community. All operations, maintenance, expansions and improvements will be at the expense and sole discretion of the District. The Jury will remain as co-sponsor of the airport for the sole purpose of facilitating expropriation if needed in the sole discretion of the District to expand the airport, as directed by state and/or federal aviation officials. If the District ceases to exist as a state political subdivision, then in that event, all property conveyed and any improvements, equipment, expansions, and other property rights will revert or be transferred to the Jury and will be used by the Jury at its sole discretion as a public airport facility.

#### **NOTE 7 – AGREEMENTS**

The District entered into an Inter-Governmental Service Agreement ("IGSA") with the United States Immigration and Customs Enforcement ("ICE") in fiscal year 2007. This agreement was to provide services for the detention and care of aliens ("detainees").

A service contract was entered into with the GEO Group, Inc. ("GEO") effective April 1, 2007, for the provision, management, and operation of a detention facility for the detention and care of detainees and to otherwise perform the District's responsibilities and obligations as set forth in the IGSA. Upon population of the facility the District was responsible for the billing, collecting, and remitting to GEO the per diem paid by ICE. The District shall be paid for the administrative duties by GEO contingent upon the number of detainees.

#### **NOTE 8 – CONTINGENCIES**

The District evaluates contingencies based upon the best available evidence. The District believes that no allowances for loss contingencies are considered necessary. To the extent that resolution of contingencies results in amounts which vary from the District's estimates, future earnings will be charged or credited.

The principal contingencies are described below:

**Litigation and Other Matters** – Various claims in the ordinary course of business are pending against the District. In the opinion of management and counsel, insurance is sufficient to cover adverse legal determinations in those cases where a liability can be measured.

## **LASALLE ECONOMIC DEVELOPMENT DISTRICT**

### **NOTES TO THE BASIC FINANCIAL STATEMENTS CONTINUED**

#### **NOTE 9 - BOARD MEMBERS**

Walter Dorroh, Jr.	President
Jacqueline Richardson	Member
Marilyn Sandifer	Member
Jimmy Dean	Member
Kurt Girlinghouse	Member
Ned McCann	Member
W.B. McCartney, Jr.	Member
Murphy McMillin	Member
Cheryl Smith	Member
Lee Richardel	Member
Tiffany Johns	Member
Paul Tweedy	Member
Randy Welch	Member
Gayla Warren	Member

Board members are paid \$-0- for their services.

#### **NOTE 10 - OPERATING TRANSFERS**

Operating transfers were made for operational expenditures.



## **LASALLE ECONOMIC DEVELOPMENT DISTRICT**

### **NOTES TO THE BASIC FINANCIAL STATEMENTS CONTINUED**

#### **NOTE 11 - PRIOR PERIOD ADJUSTMENTS**

At December 31, 2010, prior period adjustments had to be made as follows:

	<b>General Fund</b>	<b>Airport Fund</b>	<b>Total Funds</b>
To correct cash	\$ 40,000	\$ -0-	\$ 40,000
To correct sales tax receivable	(16,000)	-0-	(16,000)
To correct capital assets *	-0-	(56,050)	(56,050)
<b>Net Prior Period Adjustments</b>	<b>\$ 24,000</b>	<b>\$ (56,050)</b>	<b>\$ (32,050)</b>

\* The prior period adjustment to correct capital assets in the amount of \$(56,050) only effects net assets, therefore the net prior period adjustment for fund balance is \$24,000.

#### **NOTE 12 – ECONOMIC DEPENDENCY**

Statement of Financial Accounting Standard (SFAS) No. 14 requires disclosure in financial statements of a situation where one entity provides more than 10% of the audited entity's revenues. The Immigration & Customs Enforcement provided \$20,556,290 to the District, which represents approximately 98.9% of the District's revenues for the year.

John R. Vercher C.P.A.  
jrv@centurytel.net

Jonathan M. Vercher M.S., C.P.A.  
jonathanvercher@centurytel.net

**JOHN R. VERCHER PC**  
***Certified Public Accountants***

P.O. Box 1608  
Jena, Louisiana 71342  
Tel: (318) 992-6348  
Fax: (318) 992-4374

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Members of the Board  
LaSalle Economic Development District  
Jena, LA 71342

We have audited the basic financial statements of the LaSalle Economic Development District as of and for the year ended December 31, 2010, which collectively comprise the LaSalle Economic Development District's basic financial statements and have issued our report thereon dated July 26, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

***Internal Control Over Financial Reporting***

In planning and performing our audit, we considered the LaSalle Economic Development District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the LaSalle Economic Development District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the LaSalle Economic Development District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control

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over financial reporting, described in the accompanying schedule of findings and question costs that we consider to be significant deficiencies in internal control over financial reporting. **(2010-I-1 Hanger Leases; 2010-I-2 Small Size of Entity)**. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the LaSalle Economic Development District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed the following instances of noncompliance or other matters as discussed in the schedule of findings and questioned costs that are required to be reported under *Government Auditing Standards*.

- **2010-C-1 Budget Adoption**
- **2010-C-2 Annual Filing of Financial Statements**

The LaSalle Economic Development District's responses to the findings identified in our audit are described in the accompanying Management's Corrective Action for Current Year Audit Findings. We did not audit the LaSalle Economic Development District's responses and, accordingly, we express no opinion on them.

The Legislative Auditor's Office issued a separate compliance audit report dated June 29, 2011, as the result of a limited review of the LaSalle Economic Development District's financial records.

This report is intended solely for the information and use of the audit committee, management, federal awarding agencies and Legislative Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a public document and its distribution is not limited.

*John R. Vercher PC*

Jena, Louisiana  
July 26, 2011

**LASALLE ECONOMIC DEVELOPMENT DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COST  
For the Year Ended December 31, 2010**

We have audited the financial statements of the LaSalle Economic Development District, as of and for the year ended December 31, 2010 and have issued our report thereon dated July 26, 2011. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2010 resulted in an unqualified opinion.

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**Section I Summary of Auditor's Results**

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**a. Report on Internal Control and Compliance Material to the Financial Statements**

Internal Control

Material Weaknesses ☐ Yes ☒ No    Other Conditions    ☒ Yes ☐ No

Compliance

Compliance Material to Financial Statements    ☒ Yes ☐ No**b. Federal Awards (Not Applicable)**

Internal Control

Material Weaknesses    ☐ Yes ☐ No    Other Conditions    Yes ☐ No ☐Type of Opinion On Compliance    Unqualified ☐    Qualified ☐  
For Major Programs    Disclaimer ☐    Adverse ☐

Are the finding required to be reported in accordance with Circular A-133, Section .510(a)?

☐ Yes ☐ No**c. Identification Of Major Programs:****CFDA Number (s)****Name Of Federal Program (or Cluster)**

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Dollar threshold used to distinguish between Type A and Type B Programs:    \$

Is the auditee a 'low-risk' auditee, as defined by OMB Circular A-133?    ☐ Yes ☐ No

**LASALLE ECONOMIC DEVELOPMENT DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COST- CONTINUED  
For the Year Ended December 31, 2010**

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**Section II – Financial Statement Findings**

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**Internal Control Findings:**

**2010-I-1 Hanger Leases**

**Condition:** The district allows private use of its hangers without written agreements.

**Criteria:** Good business practices require that the District enter into written lease agreements or cooperative endeavor agreements to document the public purpose of these agreements and the intentions of the parties involved.

**Cause of Condition:** Lack of written lease agreements

**Effect of Condition:** Significant internal control weakness.

**Recommendation:** We recommend that lease agreements be secured for the use of any District property and that such agreements be in writing and contain a description of the property leased, the purposes for which the property was leased, rental to be paid and the duration of the lease.

**Client Response:** The district will obtain written lease agreements for use of the Districts property documenting description of the property leased, the rental to be paid and the duration of the lease.

**Contact Person:** Kurt Girlinghouse

**Anticipated Completion Date:** December 31, 2011

**2010-I-2 Small Size of Entity**

**Condition:** Because of the small size of the District and the lack of separation of duties of employees, many of the important elements of good internal controls cannot always be achieved to ensure adequate protection of the District's cash.

**Criteria:** Important elements of good internal controls often require that the same employee does not handle the functions of accounting, collections, billing, receiving and check writing.

**Cause of Condition:** Small size of entity and lack of employees.

**Effect of Condition:** Significant deficiency in internal controls.

**LASALLE ECONOMIC DEVELOPMENT DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COST- CONTINUED  
For the Year Ended December 31, 2010**

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**Section II – Financial Statement Findings - Continued**

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**Recommendation:** We recommend that management continue to provide the necessary oversight in its current internal control procedures, specifically in the areas of cash receipts, collection receipt activities, recordation of those receipts, depositing of funds collected, and review of checks written.

**Client Response:** Management will continue to provide the necessary oversight in its current internal control procedures, specifically in the areas of cash receipts, collection receipt activities, recordation of those receipts, depositing of funds collected, and review of checks written.

**Contact Person:** Kurt Girlinghouse

**Anticipated Completion Date:** December 31, 2011

**Compliance Findings:**

**2010-C-1 Budget Adoption**

**Condition:** The District did not adopt a budget for the December 31, 2010 fiscal year.

**Criteria:** The State Budget Act requires that governmental districts prepare annual budgets and amend the budgets when there is a variance of more than 5%.

**Cause of Condition:** A budget not being prepared and brought before the board for adoption.

**Effect of Condition:** The District violated the Budget Act.

**Recommendation:** The District should prepare and adopt an annual budget every fiscal year.

**Client Response:** The District will prepare an annual budget each fiscal year and bring the budget before the board for adoption.

**Contact Person:** Kurt Girlinghouse

**Anticipated Completion Date:** December 31, 2011

**LASALLE ECONOMIC DEVELOPMENT DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COST- CONTINUED  
For the Year Ended December 31, 2010**

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**Section II – Financial Statement Findings - Continued**

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**2010-C-2 Annual Filing of Financial Statements**

**Condition:** The District did not file their financial statements with the Legislative Auditor within six months of its year end closing.

**Criteria:** LSA-RS 24:514, LSA-RS 33:463, and/or LSA-RS 39:92, as applicable, require that governmental units file their financial statements annually with the Legislative Auditor's Office within six months of the entity's year end closing.

**Cause of Condition:** Additional work was involved in the audit of the current fiscal year because of a change in auditors and additional time was needed to gather information.

**Effect of Condition:** Late filing of the District's financial statements.

**Recommendation:** The District should begin filing its financial statements within six months of its year end closing.

**Client Response:** The District will begin filing its financial statements within six months of its year end closing.

**Contact Person:** Kurt Girlinghouse

**Anticipated Completion Date:** December 31, 2011

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**Section III Federal Awards Findings and Question Costs**

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Not applicable.

**LASALLE ECONOMIC DEVELOPMENT DISTRICT  
DECEMBER 31, 2010**

**MANAGEMENT'S CORRECTIVE ACTION FOR CURRENT YEAR AUDIT FINDINGS**

<b>Reference</b>	<b>Description of Finding</b>	<b>Corrective Action Planned</b>	<b>Contact Person</b>	<b>Anticipated Completion Date</b>
<b>2010-I-1</b>	<b>Hanger Leases</b>	The district will obtain written lease agreements for use of the Districts property documenting description of the property leased, the rental to be paid, and the duration of the lease.	Kurt Girlinghouse	December 31, 2011
<b>2010-I-2</b>	<b>Small Size of Entity</b>	Management will provide the necessary oversight in its current internal control procedures, specifically in the areas of cash receipts, collection receipt activities, recordation of those receipts, depositing of funds collected, and review of checks written.	Kurt Girlinghouse	December 31, 2011
<b>2010-C-1</b>	<b>Budget Adoption</b>	The District will prepare an annual budget each fiscal year and bring the budget before the board for adoption.	Kurt Girlinghouse	December 31, 2011
<b>2010-C-2</b>	<b>Annual Filing Of Financial Statements</b>	The District will begin filing its financial statements within six months of its year end closing.	Kurt Girlinghouse	December 31, 2011



**LASALLE ECONOMIC DEVELOPMENT DISTRICT  
DECEMBER 31, 2010**

**MANAGEMENT LETTER COMMENTS**

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During the course of our audit, we observed conditions and circumstances that may be improved. Below are situations that may be improved (if any) and recommendations for improvements.

**CURRENT YEAR MANAGEMENT LETTER COMMENTS**

**2010-M-1 Documentation of Expenditures**

***Finding:*** We reviewed a random sample of disbursements and documentation for thirty (30) transactions. All documentation was validated as to proper amount and authority. However, there were two (2) checks with no documentation.

***Recommendation:*** The District should support all expenditures with documentation describing the expense and business purpose unless evident by the documentation.

***District's Response:*** The District will begin to support all expenditures with documentation describing the expense and business purpose unless evident by the documentation.

**LASALLE ECONOMIC DEVELOPMENT DISTRICT  
DECEMBER 31, 2010**

**MANAGEMENT'S SUMMARY  
OF PRIOR YEAR FINDINGS**

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The management of LaSalle Economic Development District has provided the following action summaries relating to findings brought to their attention as a result of their audit for the year ended December 31, 2009.

**PRIOR YEAR FINDINGS**

**2009-1 Documentation (Resolved)**

***Finding:*** Supporting documentation of some of the District's grants was in several locations with uncertainty as to where it was located.

***District's Corrective Action:*** The District's treasurer requested copies of all documentation of past, present, and future (pending) grants be sent to him and is stored at one location in Jena, Louisiana.

**2009-2 Financial Statements (Resolved)**

***Finding:*** In the past, the auditors were able to draft the financial statements with management accepting responsibility. Effective for financial statements ending on or after December 15, 2006, SAS 112 now requires management to ensure propriety and completeness of the financial statements and related footnotes. The staff responsible for preparation of financial statements and related footnote disclosures in accordance with generally accepted accounting principles (GAAP) lacks the knowledge and/or resources necessary internally to complete the reporting requirements.

***District's Corrective Action:*** The District finds that the cost of obtaining the knowledge and/or resources necessary to correct this deficiency overrides the benefit.

**2009-3 Segregation of Duties (Unresolved)**

***Finding:*** Due to a limited number of available employees, there is not a complete segregation of duties in all accounting, recording and custody functions.

***District's Corrective Action:*** Management continued to provide the necessary oversight in its current internal control procedures, specifically in the areas of cash receipts, collection receipt activities, recordation of those receipts, and depositing of funds collected.